

**U.S. House of Representatives
Committee on Financial Services**

**Statement of the Honorable Michael G. Oxley, Chairman
Committee on Financial Services**

Before the Committee on House Administration

**Funding Request of the
Committee on Financial Services
For the 107th Congress**

March 1, 2001

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Thank you Mr. Chairman, Mr. Hoyer, and members of the Committee. I am pleased to appear before you today as the Chairman of the newly established Committee on Financial Services. For the first time, responsibility for the Nation's financial institutions, securities, and exchanges rests with one committee. This will give us new opportunities to bring Americans better financial products so they can buy houses, go to school, and retire comfortably. However, it also presents us with significant challenges—namely, to make sure that we do it right.

I have heard that the single most important thing done by the House in its rules package was the creation of the Financial Services Committee. I cannot disagree. By creating a single committee with responsibility for the Nation's financial markets, the House made the right policy decision. However, that decision makes the jurisdiction and responsibility of the Committee on Financial Services as broad as any other "A" level committee, including Ways and Means, Energy and Commerce, or Appropriations. Therefore it should be your first priority to ensure that the Committee on Financial Services has the same level of resources as any other top-tier committee.

As you know, I inherited the assets of the former Committee on Banking and Financial Services—its office space, personnel, and equipment. While the staff is excellent, our jurisdiction is broader than that of the old committee, and we need to make significant investments in technology and personnel to serve our Members and the public. That is why I am appearing before you today—to request badly needed resources for this new committee.

The Committee on Financial Services' Budget Request

The Committee on Financial Services is requesting \$15.1 million in budget authority for the 107th Congress, approximately \$7.5 million in both 2001 and 2002. In 2001, 83% of our expenses are for personnel compensation; that figure rises to 89% in 2002 as we are anticipating significant equipment purchases in 2001.

As I explain below, I believe that this is a fair request, and one that will enable this new Committee to serve its members, the House, and the public.

The Old Banking Committee Was Historically Underfunded

My Committee is the second largest committee in Congress with 10 more members than the old Banking Committee. Yet, a budget similar to that of the former Committee on Banking would not provide us with the resources necessary to serve our members. For instance, in the 106th Congress, the Committee on Commerce spent nearly \$290,000 per member; the Committee on Transportation and Infrastructure spent just over \$176,000. The Committee on Banking was budgeted only \$155,000 per member, and did not use the entire amount. Only the Committees on Small Business and Veterans' Affairs were budgeted for less. (See Chart 1.)

This reflects a historic trend for the old Banking Committee. The old Committee's budget growth was far below the average: the average increase between funds allocated for standing committees in the 105th Congress and the 106th was 6.1%; the Committee on Banking's budget increased by only 4.5%. In dollars per member, it actually amounted to a decrease of 2.4%.

The result is clear. The assets of the old committee are insufficient to allow us to adequately serve our members. As I will describe, our budget request, while representing a substantial increase over prior years, is necessary to make the investments in personnel and equipment necessary to fulfill our obligations to the public.

The Committee's Jurisdiction Requires New Personnel

One of the first investments envisioned by the budget request before you is in personnel. The Committee is asking for funding for 24 new staff people, 11 of which have been requested by the minority. We recognize that this is a major request, but this is necessary to meet the Committee's needs in the 107th Congress. This request will fund preexisting deficiencies in the Committee's staffing structure, particularly in the area of administrative staff, and provides staffing to serve our Members with the Committee's jurisdiction over securities and insurance.

The Size of the Committee Requires Investments in Infrastructure

On Tuesday, the Architect completed the installation of our permanent third rostrum row, the first such installation in the Rayburn building since it was built. This rostrum was ordered several years ago, and was designed to accommodate the former Committee on Banking and Financial Services with its membership of 60. While this is an important addition to our facilities, it still does not seat all of the Committee's members. We are still using 4 portable rostrums to provide seating to our 70 members and all of our subcommittees are too large to fit in any of our rooms other than the main hearing room.

And while we are able to change the room arrangement for seating for the Committee's members, we cannot change the dimensions of our main hearing room. So as we add members and seating for those members, we must remove seating for the press, staff, and most importantly, the public.

As you know, we are requesting supplemental funding for a multimedia audio/visual upgrade to our main hearing room. This upgrade is essential for two reasons. First, the

Committee currently has no facilities to allow witnesses to use technology-based presentations in their testimony. With the increased popularity of electronically based exchanges, Internet banking, and other similar technologies, the Committee needs the capability to oversee the regulatory issues associated with their development, which includes the ability to participate in demonstrations during the Committee's hearings.

Secondly, and more importantly, this upgrade will provide the Committee with the ability to provide broadcast-quality video and audio to those who will be unable to fit inside our cramped hearing room. When the full Committee meets, we can have as few as 20 seats available to the public. The capability to broadcast the Committee's proceedings, both to overflow rooms and on the Internet, is essential if the Committee is to meet its obligations under the Rules of the House to ensure that our proceedings are available to the public.

The budget request also includes funding for new computer systems and upgrades to our information technology infrastructure. We are looking to establish a regular schedule of information technology upgrades that will reduce our costs in this area in the future, and also limit our dependence on outside contractors for maintenance.

The Budget Request Treats the Minority Fairly

Our budget request treats the minority fairly. It grants the minority staff control over their budget, and one-third of both the funding and staff slots allocated to the Committee. In percentage terms, the minority's share of Committee resources increased from 31% in the last Congress to our request of 33% in this Congress.

In real terms, this is an even more significant increase. If our budget request is granted, the resources available to the minority will increase from \$2,885,333 and 19 staff slots in the 106th Congress to over \$5 million and 30 staff slots for the 107th Congress. This is more than fair—it will provide the minority with significant new capabilities to serve its members.

Of course, we will ask the minority to contribute to expenses that benefit all of our members equally. For instance, we will be asking the minority to offset one-third of the cost of our GPO detailee and document production operation, as well as other shared administrative employees. This also is only fair.

This is a Fair Budget Request

I recognize that this is a substantial budget request. But as I said at the outset, the resources I inherited are inadequate to serve the members of the Committee. This budget request provides the Committee with the resources to serve its members, to serve the House, and to serve the public. In doing so, we are also giving the minority the ability to do the same.

This is a fair budget request, and I hope you will support it. Thank you, Mr. Chairman, and I stand ready to answer your questions.